



Military Deposit

Civil Service Retirement System (CSRS)

Updated 18 Aug 05

What is "military service" for CSRS purposes?

Military service for CSRS purposes is honorable **active** service in the following uniformed services: Army, Navy, Air Force, Marine Corps, and Coast Guard after 12-31-56 (also called post-1956 military service), and after June 30, 1960, in the Commissioned Corps of the Public Health Service, and after June 30, 1961, service in the Commissioned Corps of the National Oceanic and Atmospheric Administration and its predecessor agency. Active duty performed prior to 1-1-57 is creditable without a deposit.

Can I receive credit for service in the military reserves?

Active duty in the various reserve components of the branches listed above is potentially creditable for retirement under CSRS. Thus, periods of active duty for training, such as "summer camps," performed each year are creditable military service provided the training occurred before Federal civilian service began. (When an employee performs annual active duty training service while he or she is on annual leave or military leave from a Federal agency, the service is credited as civilian service.) Normal monthly "drills" are inactive duty and are not creditable for retirement.

Is service with the National Guard creditable military service?

Service with the National Guard is creditable military service when (a) the organization is activated in the U.S. Army or Air Force; or (b) an individual is ordered to service on active duty or active duty for training as a member of the Army National Guard of the United States (ARNGUS) or the Air National Guard of the United States (ANGUS), which are reserve components of the Armed Forces of the United States; or (c) full-time National Guard service interrupts a period of Federal civilian service *and* the individual is reemployed after 7-31-90 upon exercising restoration rights. Generally, training periods or other service performed for a State government (such as when the Governor of a State calls the National Guard to duty) are not creditable.

May an employee receive credit for service with a military academy?

Yes. Service in the following academies is considered creditable military service for CSRS retirement purposes: Midshipman at the U.S. Naval Academy; Cadet at the U.S. Military Academy; Cadet at the U.S. Air Force Academy; and Cadet at the U.S. Coast Guard Academy.

When is a period of military service creditable for retirement purposes?

A period of military service is creditable for retirement and death benefits purposes, subject to the following conditions:

- a. The military service was performed before the date of separation from civilian employment upon which title to annuity is based;
- b. It was active duty;
- c. It was not included in the computation of military retired pay, or if it was included in retired pay, the retired pay was awarded based on disability incurred in combat with an enemy of the United States or caused by an instrumentality of war and incurred in the line of duty during a period of war; or granted under the provisions of chapter 67, title 10, of the U.S. Code;
- d. It was honorable service; and
- e. A deposit is made for military service when applicable.

What is chapter 67, title 10, U.S. Code?

This law provides retired pay to members of the Reserve components on the basis of service instead of disability. The basic requirement is to reach age 60 with 20 years of service.

What does "USERRA service" mean?

"USERRA service" is another name for military service that interrupts Federal civilian service and reemployment occurs on or after 1 Aug 90 under the provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA).

When is it necessary for a CSRS employee to make a deposit for military service?

The rules for crediting military service apply whether you are making a deposit for active military service that occurred prior to becoming a Federal civilian employee (post-1956 military service), or active military service that interrupts a period of Federal civilian employment (USERRA).

The requirement for a deposit depends on whether you were first employed under CSRS before 10-1-82 or after 9-30-82. The specific rules are:

First Employed Under CSRS Before 10-01-82:**1. Eligible for Social Security benefits at age 62 and:**

-- Deposit is paid. Your military service will be credited for both eligibility for retirement and computation of the annuity.

-- Deposit is **not** paid. Your military service will be credited for eligibility for retirement. If you are not eligible for Social Security at retirement, but will become eligible at age 62, your post-56 military service will be credited for computation of annuity until you reach age 62. At that time the credit for the military service is eliminated, and your annuity will be recomputed downward by subtracting the years of military service. (This is commonly called "Catch-62.") This typically reduces the CSRS annuity by 2% for each year of post-56 military service. For example, an employee age 55 with 30 years of combined service (4 years of which is post-56 military service) is eligible for retirement. If he/she does not make a military deposit and becomes eligible for Social Security at age 62, the annuity will be recomputed at age 62 and reduced by 8% (4 years X 2% = 8%). If you are eligible for Social Security at the time of retirement (normally age 62 or older), the post-56 service will not be used in the computation of your annuity.

2. Not eligible for Social Security at 62 (or retirement, if later). No deposit is required. You will receive full credit for post-56 military service for both eligibility and annuity computation with no future reduction.

First Employed Under CSRS After 9-30-82:

You must pay the deposit in order to receive credit for the military service for eligibility for retirement as well as computation of the annuity.

How much does the military deposit cost?

For periods of active military service prior to 1-1-99, the deposit equals 7% of your military base pay. For periods of military service performed during 1999 the deposit equals 7.25%; and during 2000 the deposit equals 7.40%. After 12-31-00 the deposit returns to 7% of your military base pay. (Base pay does not include allowances earned during the military service.)

If the military service falls under USERRA, the deposit is the **lesser** of the applicable percentage(s) of military base pay, or the amount of CSRS contributions you would have paid had you worked instead of going on active duty. We'll prepare a service deposit report that compares and shows which method your deposit will be based on.

Do I have to pay interest on the military deposit?

CSRS law provides a 2-year interest-free grace period on military deposits. After the grace period, interest begins to accrue and is compounded annually, although no interest will be due if the deposit is paid in full before a full year goes by following the grace period.

For employees first employed under CSRS prior to 1 Oct 83, interest started accruing 1 Oct 85. If first employed under CSRS on or after 1 Oct 83, interest started accruing 2 years from the date first employed subject to CSRS. For employees first employed under CSRS prior to 1 Oct 83, but who separated from employment before 1 Oct 82, interest starts to accrue 2 years from the date the employee is reemployed in a position subject to CSRS (or FERS). If the military service was performed after the date of first employment and after 1 Oct 83, interest starts 2 years from the date the employee returns to a covered position.

How long do I have to pay the military deposit?

The earlier you pay the deposit the less interest you will have to pay, so the sooner you pay the deposit the better. However, the deposit must be paid in full before you retire.

What are the procedures to make a military deposit? (These procedures apply only to employees who receive **full** services from BEST. Limited service employees must contact their local Civilian Personnel Office for deposit procedures and assistance. See "[Full versus Limited Services](#)" to determine if you receive full or limited services from BEST.)

Step 1. (If you already have your estimated military earnings, go to Step 2.)

-- Download Form RI 20-97, "Estimated Earnings During Military Service," from the Office of Personnel Management (OPM) website at www.opm.gov/forms/pdf_fill/RI20-97.pdf. Complete this form showing the periods of military service for which you want to make the deposit.

Exception: If your military service is USERRA service, you'll need to specify periods of military service during which you were on paid leave from your civilian position (i.e., military leave, annual leave, compensatory time, or credit hours). Please refer to the sample RI 20-97 at Attachment 1 for an example of how to complete the form showing dates of military service when no civilian leave was used, and the dates in a paid leave status and type of leave.

-- Enter your name and home address at the bottom of the RI 20-97 to make sure the military finance office returns the estimated earnings information directly to you.

-- When the RI 20-97 is completed, attach a copy of your DD 214(s) (Member 4 Copy) that documents both the order to active duty and release from same, and mail to the military finance office address for the applicable branch of service (listed on page 2 of RI 20-97).

Exception: Reservists with USERRA service will need to take the RI 20-97 to their Reserve unit to obtain estimated military earnings if they (1) had periods of paid leave during the military service, or (2) are documenting the military service with certified military orders (AF Form 938 or equivalent) instead of DD 214.

-- If you have service with more than one branch of the military (i.e., Air Force and U.S. Marine Corps), you will need to complete a separate RI 20-97 for each, and mail each to the appropriate military finance office.

Step 2.

-- Military service **not** under USERRA. Upon receipt of your estimated military earnings, call BEST and ask for the military deposit application forms.

-- Military service under USERRA. Upon receipt of your estimated military earnings, fax a copy of the estimated earnings form or letter to BEST with a request for the military deposit application forms. The subject of your fax should be "Request for USERRA Military Deposit

Computation and Paperwork." Our fax number is DSN 665-2936 or (210) 565-2936. You must include a copy of your DD 214(s) (Member 4 Copy) or certified military orders (AF Form 938 or equivalent).

Step 3.

-- If **not** USERRA. BEST will prepare the SF 2803 (Application to make Deposit or Redeposit – CSRS) and OPM Form 1514 (Military Deposit Worksheet) and mail or fax to you, usually within 4 to 8 weeks of the date you request the forms.

-- If USERRA. Usually within 4 to 8 weeks of receipt of your estimated earnings information, BEST will prepare SF 2803 and OPM Form 1514. We'll also prepare the comparison service deposit report, and then mail or fax these forms to you.

Step 4. When you receive the SF 2803 and OPM 1514 from BEST:

- Check the SF 2803 to make sure your personal information is correct, and sign and date the form.
- Mail the following to your servicing regional Defense Finance Accounting Service (DFAS) payroll office (address will be provided with instructions). DFAS will compute the actual deposit amount and contact you to arrange for payment.
 - SF 2803 (Application to Make Deposit or Redeposit – CSRS)
 - OPM Form 1514 (Military Deposit Worksheet)
 - Service Deposit Report (applies only if military service is under USERRA)
 - Estimated Earnings Form or Letter (from your military finance center)
 - DD Form(s) 214, or certified military orders

I've paid the military deposit in full. Should I provide proof of the payment to BEST?

Yes, most definitely. Please fax a copy of the document DFAS provides showing payment has been completed (usually the OPM Form 1514). Fax it to BEST at DSN 665-2936 or (210) 565-2936. The subject of your fax should be "Proof of Full Payment of Military Deposit." We will place this document in your electronic Official Personnel Folder, available for inclusion in your retirement package when you are ready to retire.

How do I contact BEST to request the military deposit forms?

Directions for contacting BEST are located in our document "BEST Telephone Menu," located at www.afpc.randolph.af.mil/dpc/best/best_telephone_menu.htm.

SAMPLE

United States
Office of Personnel Management
Retirement Operations Center
Boyers, Pennsylvania 18017

USERRA WITH PAID CIVILIAN LEAVE

Estimated Earnings During Military Service

Instructions: Use a separate RI 20-97 for each branch of service. Attach DD 214 or the equivalent and any available records of pay or promotions. The pay center cannot provide estimated earnings without verification of service. The requester must complete blocks 1 through 10 and block 19. Pay center addresses are on the reverse.

1. Name (Last, first, middle)	
2. Other names used	
3. Social Security Number	4. Date of birth (mm/dd/yyyy)
5. All military service numbers	
6. Branch of service	

The uniformed services must provide Federal employees' estimated basic pay for military service they performed after December 31, 1956. This is needed to make a deposit to the Civil Service Retirement and Disability Fund for retirement credit. Please provide the estimated basic pay earned by the person named above.

7. Signature of requester		8. Relationship to person named <input type="checkbox"/> Person named is requester <input type="checkbox"/> Survivor <input type="checkbox"/> Other (specify):		9. Date		
10. Active military service after December 31, 1956 (Dates indicated below must be based on DD 214 or equivalent certification.)		11. Authorized Official of Retired Pay Center completes blocks 11 through 18. Estimated Earnings (Base Pay) Do not provide estimated earnings for any period of service prior to January 1, 1957.				
From (mm/dd/yyyy)	To (mm/dd/yyyy)	From (mm/dd/yyyy)	To (mm/dd/yyyy)	Rate of Basic Pay	Earnings	Type of Discharge
I'm requesting estimated military earnings for only a portion of my active duty due to receipt of paid civilian leave, per 38 USC 43	11/01/2003	09/14/2004				
09/15/2004	10/14/2004	Earning not needed - covered by paid Military Leave				
10/15/2004	07/01/2005					
12. If period of service began before and ended after December 31, 1956, enter date service actually began. (mm/dd/yyyy)		13. Lost time <input type="checkbox"/> None <input type="checkbox"/> Number of days <input type="checkbox"/> Inclusive dates				
		From (mm/dd/yyyy)	To (mm/dd/yyyy)	From (mm/dd/yyyy)	From (mm/dd/yyyy)	
14. Signature of authorized official furnishing estimate		15. Date		16. Telephone number (including area code) ()		
17. Typed name of authorized official		18. Title of authorized official				
19. Requester's name and address (Return this completed form to address below.)						

Tweety J. Bird
508 Song Time Street
San Antonio TX 78258

SAMPLE

RI 20-97
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Previous editions are not usable